

**CALCASIEU PARISH
VOLUNTARY COUNCIL ON AGING, INC.
LAKE CHARLES, LOUISIANA**

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/13/08



CONTENTS

	<u>Page No.</u>	<u>Exhibit</u>
Management's Discussion and Analysis	1 – 13	
Independent Auditors' Report	14 – 15	
Report on Internal Control Over Financial Reporting and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	16 – 17	
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	18 – 19	
<u>Basic Financial Statements:</u>		
<u>Governmental Wide Financial Statements</u>		
Statement of Net Assets	20	A
Statement of Net Activities	21	B
<u>Fund Financial Statements:</u>		
Balance Sheet – Governmental Funds	22	C
Reconciliation of the Balance Sheet to the Statement of Net Assets	23	D
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24	E
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	25	F
Statement of Fund Net Assets – Proprietary Funds	26	G
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds	27	H
Statement of Cash Flows – Proprietary Funds	28	I
Statement of Fiduciary Net Assets – Fiduciary Funds	29	J
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	30	K
Notes to the Financial Statements	31 – 58	

Supplementary Information Required by GASB
Statement 34:

Page No. **Schedule No.**

Budgetary Comparison Schedule – General Fund

59

1

Budgetary Comparison Schedule – Senior Centers Fund

60

2

Budgetary Comparison Schedule – Title III B Fund

61

3

Budgetary Comparison Schedule – Title IIIC – 1 Fund

62

4

Budgetary Comparison Schedule – Title IIIC – 2 Fund

63

5

Supplementary Financial Information Required by GOEA:

Schedule of Non-Major Special Revenue Funds

64

6

Comparative Schedule of General Fixed Assets and
Changes in General Fixed Assets

65

7

Supplementary Financial Information Required by
OMB Circular A-133:

Schedule of Expenditures of Federal Awards

66

8

Schedule of Findings and Questioned Costs

67 – 68

9

Schedule of Prior Audit Findings

69

10

Management's Corrective Action Plan

70

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Calcasieu Parish Voluntary Council on Aging, Inc.'s financial performance provides an overview of the Council's financial activities for the year ended June 30, 2007. Please read it in conjunction with the financial statements which begin on page 20.

FINANCIAL HIGHLIGHTS

- The Council showed a net decrease in net assets of \$235,995, or 23% this year.
- Net capital assets of the Council decreased by \$147,893.
- The unreserved, undesignated fund balance for the Council's general fund was \$265,728 at year end which was an \$122,223 increase from the prior year.
- The Council received a grant from the Calcasieu Parish Police Jury of \$ 100,000 to provide for home-delivered meals.
- The Council incurred an increase in the amount due from component units in the amount of \$ 207,812.

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Basic Financial Statements are presented in Exhibits A – K. The Government-Wide statements, the Statement of Net Assets (Exhibit A) and the Statement of Activities (Exhibit B) are presented on pages 20 and 21 and provide information about the activities of the Council as a whole and presents a longer-term view of the Council's finances. Fund financial statements are presented in Exhibits C – K and are presented on pages 22-30. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

Our auditor has provided assurance in the independent auditors' report, located immediately after the Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by GOEA and OMB Circular A-133 that follow later in the independent auditor's report. carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

REPORTING ON THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE STATEMENTS

Our analysis of the Council as a whole begins on page 4. An important question to ask about the Council's finances is, "Is the Council as a whole better off or worse off as a result of the year's activities?" The statement of Net Assets and the Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements can be found on pages 20 and 21 and report the Council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are deteriorating. However, to assess the overall financial position of the Council, you will need to consider other nonfinancial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net assets changed as a result of the year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include an Administration function, interest on long-term debt, and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include assistance, and disease prevention and health promotion. The activities of the Council consist of governmental and business-type activities. A governmental activity is one where the Council uses the money it receives from government grants and contracts, along with donations from the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. Because the Council charges fees to cover all or most of the cost of providing a service in the Bingo Fund and Bingeaux Café Fund, these activities are classified as business-type activities.

REPORTING THE COUNCIL'S MOST SIGNIFICANT FUNDS USING FUND FINANCIAL STATEMENTS

Our analysis of the Council's major funds begins on page 7. The Fund Financial Statements can be found on pages 20 to 30 and provide detailed information about the most significant funds-not the Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenues sources that are legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures,

we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of fund and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified* accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. We have presented the difference between the net assets on a separate page that follows the balance sheet for Governmental funds. In addition, the difference between the change in net assets for the governmental funds and the change in net assets for the governmental activities has been presented in a reconciliation on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 to 58. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. We have also opted to present positive and negative variances between the final budget and actual amounts.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which we believe is important to present for the Council's financial statement users.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, it is presented as the first item in this reporting package and not with the other RSI by GASB Statement 34.

OTHER SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA AND OMB CIRCULAR A-133

The Council has also presented other required supplemental information in this report package.

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 64 and 65. This information will be used by GOEA to verify

the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that its has with the Council.

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Council.

AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects condensed information on the Council's net assets:

	2007	2006	Increase (Decrease)
Current and other assets	\$ 474,710	\$ 641,169	\$ (166,459)
Capital assets, net of depreciation	<u>725,799</u>	<u>873,692</u>	<u>(147,893)</u>
Total Assets	<u>1,200,509</u>	<u>1,514,861</u>	<u>(314,352)</u>
Compensated Absences	23,283	21,039	2,244
Other Liabilities	136,897	167,447	(30,550)
Mortgage Payable-Current	54,764	51,962	2,802
Mortgage Payable-Noncurrent	<u>174,450</u>	<u>227,303</u>	<u>(52,853)</u>
Total Liabilities	<u>389,394</u>	<u>467,751</u>	<u>(78,357)</u>
Net Assets:			
Invested in capital assets net of			
Related debt	496,585	594,427	(97,842)
Restricted	57,053	290,016	(232,963)
Unrestricted	<u>257,477</u>	<u>162,667</u>	<u>94,810</u>
Total Net Assets	<u>811,115</u>	<u>\$ 1,047,110</u>	<u>\$ (235,995)</u>

As of June 30, 2007, the Council "as a whole" had assets greater than it liabilities by \$811,115.

The Council's unrestricted net assets actually increased by \$94,810 or 58% over the year. This illustrates that the Council is improving its financial position. About 32% of the Council's net assets are unrestricted as of June 30, 2007. It is important that the Council have unrestricted net assets so that we will have resources available to adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Council's restricted net assets decreased by \$232,963 due to a decrease in funds restricted for housing expenditures. Net assets are reported as restricted when the constraints placed upon the asset's use are either

- (a) externally imposed by a grantor, contributor, or laws or regulations of other

governments, or
(b) imposed by law through constitutional provisions or enabling legislation.

The net assets that have been invested in capital assets are presented net of any related outstanding debt incurred to acquire them. The Council has a mortgage of \$229,214 which has been subtracted from the capital asset amounts.

The liability for compensated absences was \$23,283 at June 30, 2007. This liability represents what the Council would owe to its employees as of year-end for unused vacation leave. If employee vacation patterns are similar from year to year and if the number of employees remains about the same, the amount owed for compensated absences will not change very much from year to year. This liability could adversely affect the Council's financial position if we were to have to lay off a significant portion of our workforce. This event would trigger the immediate payment of unused vacation to the terminated employees resulting in the Council having to use unrestricted net assets to make the payments.

Other liabilities decreased by \$30,550 this year or 18%, due to a decrease in Accounts Payable balance at year end. Any funds received but not spent as of year-end must be presented as a liability in the Council's financial statements. Accordingly, if the Council does not spend the money by the time the grant or contract expires, it will have to refund the unused portion.

Table 2 illustrates the revenues and expenses that caused the change in net assets over the two-year period.

Table 2
Increase (Decrease) in Net Assets for Governmental Activities

	2007	2006	Increase (Decrease)
Revenues			
Program revenues:			
Charges for Services	\$ 98	\$ 5,826	\$ (5,728)
Operating Grants and Contributions	1,625,749	1,477,914	147,835
General Revenues:			
Unrestricted Grants and Contributions	66,508	63,356	3,152
Restricted Grants	-	103,000	(103,000)
Insurance Proceeds	500	33,381	(32,881)
Miscellaneous	24,993	-	24,993
Loss on Disposal of Asset	(1,357)	-	(1,357)
Interest Income	5,302	12,821	(7,519)
Fund Raisers	18,359	-	18,359
Total Revenues	<u>1,740,152</u>	<u>1,696,298</u>	<u>43,854</u>
Direct Program Expenses of the Health, Welfare, and Social Services Function:			
Supportive Services:			
Homemaker	90,431	75,432	14,999
Information and Assistance	11,210	14,093	(2,883)
Legal Assistance	5,006	8,025	(3,019)
Material Aid	25,000	-	25,000
Outreach	59,389	49,220	10,169
Other Non-Priority Services	14,460	10,896	3,564
Recreation	44,528	48,015	(3,487)
Multi-purpose Senior Centers	213,631	95,959	117,672
Nutrition Services:			
Congregate Meals	258,464	230,985	27,479
Home-Delivered Meals	722,085	595,127	126,958
Utility Assistance	80,069	86,498	(6,429)
Disease Prevention and Health Promotion	18,190	14,741	3,449
National Family Caregiver:			
Respite	26,065	32,206	(6,141)
Other Services	54,596	53,251	1,345
Long-Term Care Ombudsman	102,132	79,370	22,762
Senior Activities	29,099	16,017	13,082
Prescription Assistance	142,304	109,842	32,462
Elderly Housing	99,260	77,940	21,320
Flu Shots	17,171	-	17,171
Fund Raising	12,866	-	12,866
Disaster Services	198	4,083	(3,885)
Transportation & Volunteer Services	9,278	-	9,278
Administration Expenses	149,900	100,546	49,354
Interest on long-term debt	3,431	6,069	(2,638)
Total Expenses	<u>2,188,763</u>	<u>1,708,315</u>	<u>480,448</u>
Excess (Deficiency) of revenues over expenses before transfers	(448,611)	(12,017)	(436,594)
Transfers from business-type activities	<u>215,211</u>	<u>229,218</u>	<u>(14,007)</u>
Increase (Decrease) in Net Assets	<u>\$ (233,400)</u>	<u>\$ 217,201</u>	<u>\$ (450,601)</u>

The Council's total revenues for governmental activities (excluding transfers from business-type activities) increased by \$43,854 versus last year. Generally, unless new sources of funds are found, or unless the amounts of the grants and contracts are raised, it is difficult for us to expand current levels of service or start new programs.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to \$1,287,389 in 2007 and represent 73% of total revenues. Some of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, unless some new source of grants is generated. However, some change based upon the level of service provided under the terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues were \$309,132 or 17% of the total revenues of 2007.

When reviewing the Government-Wide Statements of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are related to supportive services and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Calcasieu Parish. There is a high demand for these services; therefore, resources are channeled to meeting the demand.

You will also note that most of the governmental activities have more expenses than revenues. We expect this situation to occur and have prepared the Council's budgets for these activities with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities.

AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENT FUND FINANCIAL STATEMENTS

Fund Balances

The Council showed a combined governmental fund balance of \$ 322,981 (as shown on the Fund Financial Statement's balance sheet on Exhibit C) at the end of this year, which is a decrease of \$110,540. This consists of a decrease in the General Fund Balance of \$87,539 and a decrease in the Special Revenue Fund of \$23,001. The primary reason for the decrease in the General Fund's balance is as follows:

- The Council has advanced funds to the DeQuincy, North Lake Charles, and Iowa housing projects.

The governmental fund revenues increased \$111,973 this year versus last year. Some of the reasons for this increase are as follows:

- The Council received additional grant monies in the amount of \$ 51,535 from GOEA.
- The Calcasieu Parish Police Jury provided \$10,771 additional funds versus last year for home-delivered meals.
- The City of Lake Charles contribution decreased by \$ 93,000.
- Interest earned decreased by \$ 5,599.
- Developer's fees decreased by \$ 5,812.
- Local and miscellaneous revenue increased by \$ 138,343 this year.
- The Council was able to raise funds from fundraisers in the amount of \$18,359.

Expenditures

Total governmental expenditures increased by \$253,279 this year or 14%. Some of the notable reasons why this occurred are as follows:

- There was an increase of \$178,429 or 26%, in the cost of personnel and related payroll taxes compared to last year primarily due to the need for increasing staff at the senior centers and the prescription drug program for the elderly.
- Travel expenditures increased \$19,225 due to resuming the level of service prior to Hurricane Rita plus increased number of routes.
- Expenditures for operating services increased by \$ 51,735.
- Operating supplies increased by \$ 54,268.
- Other costs increased \$87,781 this year .
- Full-Service contract costs increased by \$ 28,767.
- Fund raising expenditures incurred were \$ 12,866.
- Debt service expenditures increased by \$ 8,956.
- Capital outlay expenditures decreased by \$ 140,796.
- Housing expenditures were reported separately.

AN ANALYSIS OF THE GENERAL FUND BUDGET

Over the course of this past fiscal year the budget was amended one time. The amendment was approved at a Board of Directors meeting on May 31, 2007. The amendment effectively approves any expenditures that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grant from GOEA.

You can find schedules of the original and amended budgets for the General Fund in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 59 to 63. When you review the budget versus actual schedule, you will note that the net variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast that is made at the beginning of the year. With only two months left in the fiscal year at the time the budget is amended, the risk of a significant budget overrun is reduced because of our ability to more accurately predict what will occur over a shorter period of time versus a longer period of time.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$725,799 in fixed assets net of accumulated depreciation. This amounted to a net decrease of \$164,009 over last year.

Table 4
Capital Assets, Net of Depreciation at Year End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land & Building	\$ 507,256	\$ 620,861	\$ 109,191	\$ 121,790
Vehicles	26,335	45,315	-	-
Furniture & Equipment	40,555	60,348	42,462	40,092
Total	<u>\$ 574,146</u>	<u>\$ 726,524</u>	<u>\$ 151,653</u>	<u>\$ 161,882</u>

The Council has long-term debt for the mortgage on the building. This amount, \$229,214, is shown as a reduction to net capital assets in the government-wide statement of net assets. We have already discussed the nature and effects of the compensated absence liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. In setting its budget for fiscal year 2007, it was important that we deliver at least the same level of service to our clients and the public as we did in 2006. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2008. There have been no significant changes to the funding level or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. GOEA has also approved the Council's budget for next year.

The Council has been awarded a grant from HUD for the purpose of building Section 202 housing for the elderly. The apartments will be built in Vinton, Louisiana, and will named *Vinton Senior Manor*. The Council has formed a "new owner" non-profit corporation which can have the same board members.

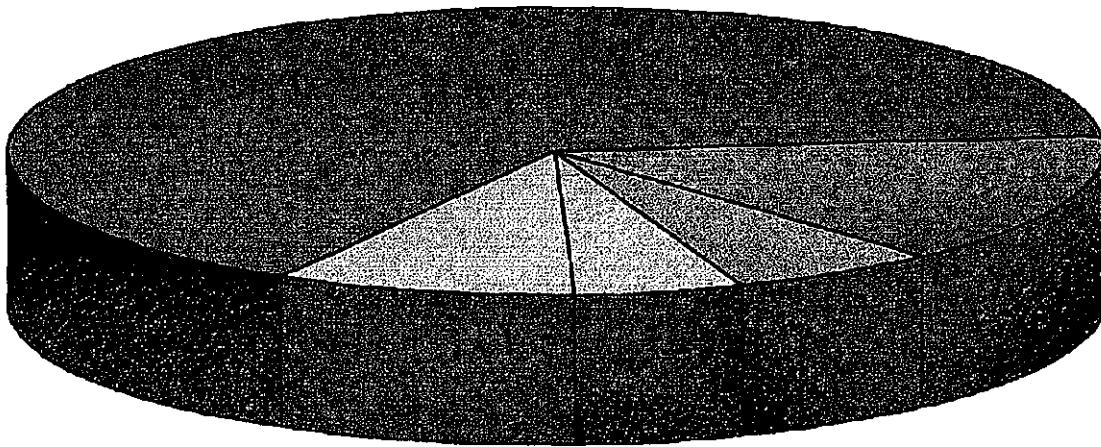
The Council was notified in December, 2007, that the Low-Income Housing Tax Credits from the Louisiana Housing Finance Agency have been rescinded. Consequently, the Council will research other funding options for the property.

CONTACTING THE COUNCIL'S MANAGEMENT

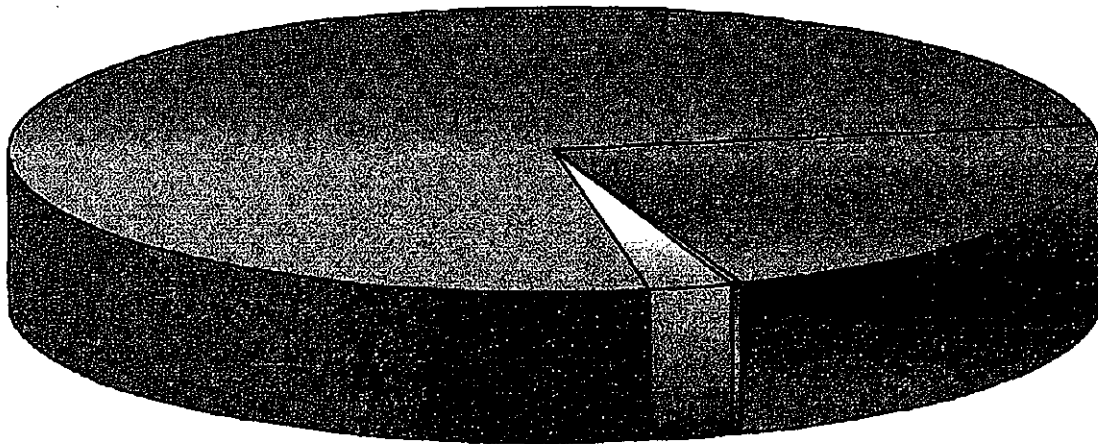
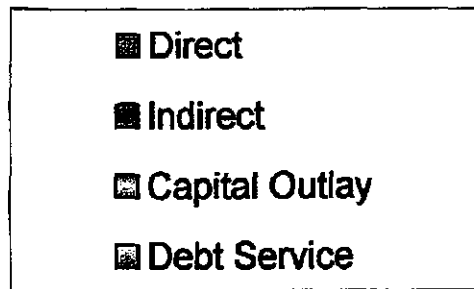
Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Sonya "Toni" Caraway, the Council's Executive Director, at the Council's main office located at 3950 Gerstner Memorial Drive, Lake Charles, LA, or by phone at 337-474-2583.

Revenue Sources

■ GOEA ■ Public Support
■ Calcasieu Police Jury ■ United Way
■ Local Funds

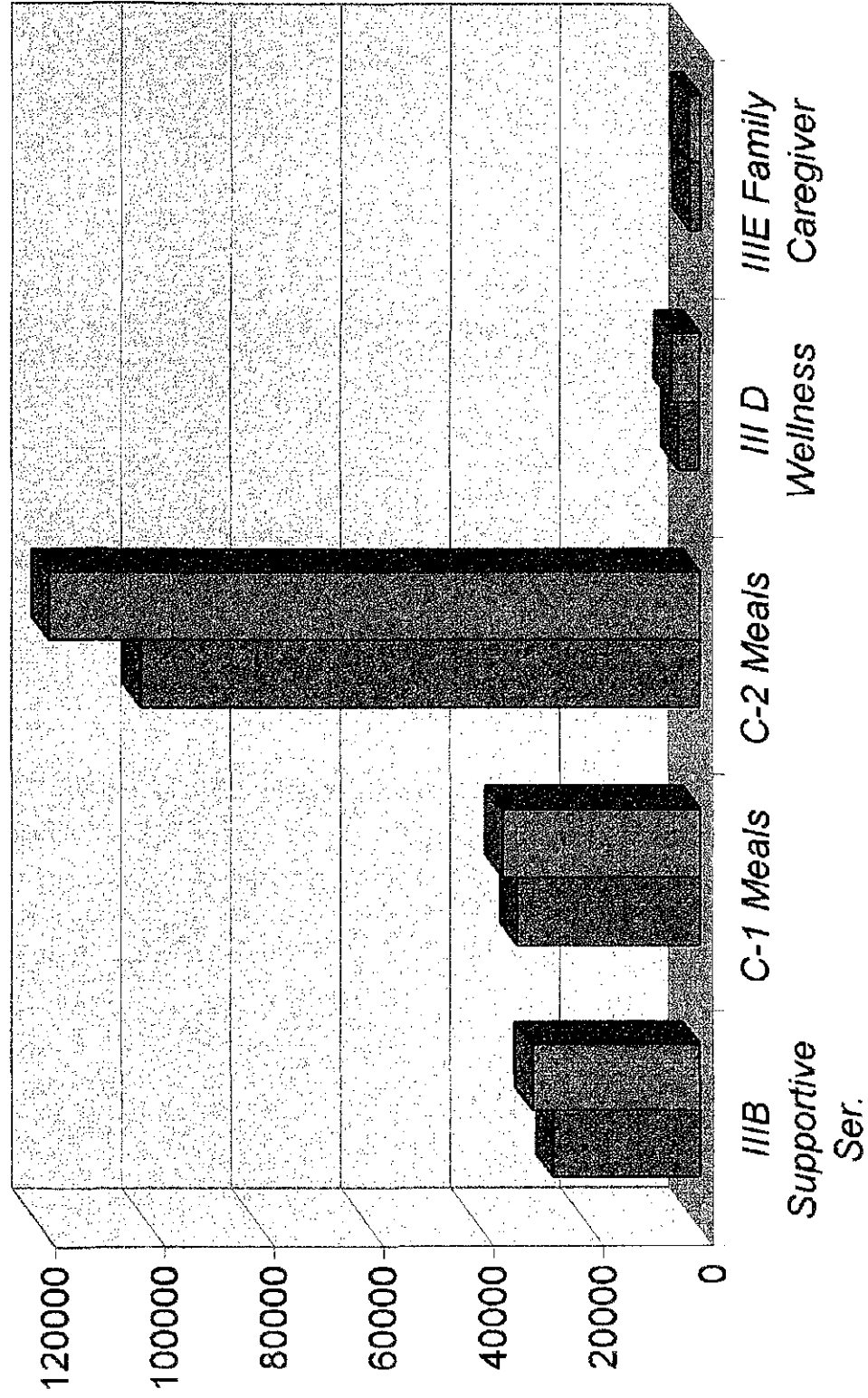


Expenditures



Program Units

FYE 2006 FYE 2007



McMullen and Mancuso

Certified Public Accountants, LLC

P.O. Box 202

Lisa F. McMullen, CPA

3600 Maplewood Drive

Telephone (337) 625-5054

Pamela C. Mancuso, CPA

Sulphur, Louisiana 70663

Fax (337) 625-5849

INDEPENDENT AUDITORS' REPORT

Board of Directors
Calcasieu Parish Voluntary Council on Aging, Inc.
Lake Charles, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Calcasieu Parish Voluntary Council on Aging, Inc., as of and for the year ended June 30, 2007, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Calcasieu Parish Voluntary Council on Aging, Inc.'s management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Voluntary Council on Aging, Inc. as of June 30, 2007, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Required Supplementary Information listed in the table of contents as Schedules 1 - 5 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Members

14

American Institute of Certified Public Accountants
Louisiana Society of Certified Public Accountants

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2008, on our consideration of the Calcasieu Parish Voluntary Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 1 through 11 and 59 through 63, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calcasieu Parish Voluntary Council on Aging, Inc.'s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Calcasieu Parish Voluntary Council on Aging, Inc. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso, CPAs

January 25, 2008

McMullen and Mancuso
Certified Public Accountants, LLC
P.O. Box 202

Lisa F. McMullen, CPA
Pamela C. Mancuso, CPA

3600 Mapleswood Drive
Sulphur, Louisiana 70663

Telephone (337) 625-5054
Fax (337) 625-5849

**Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards**

To the Board of Directors
Calcasieu Parish Voluntary Council on Aging, Inc.
Lake Charles, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Calcasieu Parish Voluntary Council on Aging, Inc. as of and for the year ended June 30, 2007, which collectively comprise the Calcasieu Parish Voluntary Council on Aging, Inc.'s basic financial statements and have issued our report thereon dated January 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Voluntary Council on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness the Calcasieu Parish Voluntary Council on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness the Calcasieu Parish Voluntary Council on Aging, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Calcasieu Parish Voluntary Council on Aging, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Calcasieu Parish Voluntary Council on Aging, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Calcasieu Parish Voluntary Council on Aging, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Calcasieu Parish Voluntary Council on Aging, Inc.'s internal control.

Our consideration of internal control over financial reporting for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Calcasieu Parish Voluntary Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain other matter that we reported to management of the Council in a separate letter dated January 25, 2008.

This report is intended for the information and use of management, the Council's board of directors, others within the entity, and federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso, CPAs

January 25, 2008

McMullen and Mancuso

Certified Public Accountants, LLC

P.O. Box 202

Lisa F. McMullen, CPA

3600 Maplewood Drive

Telephone (337) 625-5054

Pamela C. Mancuso, CPA

Sulphur, Louisiana 70663

Fax (337) 625-5849

**Report on Compliance with Requirements
Applicable To Each Major Program and Internal Control
Over Compliance Required by OMB Circular A-133**

To the Board of Directors
Calcasieu Parish Voluntary Council on Aging, Inc.
Lake Charles, Louisiana

Compliance

We have audited the compliance of the Calcasieu Parish Voluntary Council on Aging, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Calcasieu Parish Voluntary Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs (Schedule 9). Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Calcasieu Parish Voluntary Council on Aging, Inc.'s management. Our responsibility is to express an opinion on the Calcasieu Parish Voluntary Council on Aging, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Calcasieu Parish Voluntary Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Calcasieu Parish Voluntary Council on Aging, Inc.'s compliance with those requirements.

In our opinion, the Calcasieu Parish Voluntary Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Members

American Institute of Certified Public Accountants
Louisiana Society of Certified Public Accountants

Internal Control Over Compliance

The management of the Calcasieu Parish Voluntary Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Calcasieu Parish Voluntary Council on Aging, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Calcasieu Parish Voluntary Council on Aging, Inc.'s internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as described above.

Calcasieu Parish Voluntary Council on Aging, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Calcasieu Parish Voluntary Council on Aging, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, the Council's board of directors, others within the entity, and federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

McMullen and Mancuso, CPAs, LLC

January 25, 2008

McMullen and Mancuso, CPAs

EXHIBIT A

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.
Government Wide Statement of Net Assets

As of June 30, 2007

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activities	Total	Units
ASSETS AND OTHER DEBITS				
ASSETS:				
Cash and Cash Equivalents	\$ 187,801	\$ 21,603	\$ 209,404	\$ 263,279
Prepaid income tax	-	6,900	6,900	-
Inventory	-	4,046	4,046	-
Miscellaneous receivables	25,919	3,230	29,149	-
Due from Component Units	223,295	-	223,295	-
Organizational Costs	-	-	-	51,510
Other Assets	1,916	-	1,916	-
Capital assets net of accumulated depreciation	574,146	151,653	725,799	1,415,580
Total Assets	\$ 1,013,077	\$ 187,432	\$ 1,200,509	\$ 1,730,369
LIABILITIES:				
Accounts payable	\$ 89,501	\$ 14,281	\$ 103,782	\$ -
Accrued payroll	17,790	4,955	22,745	-
Sales tax payable	-	1,711	1,711	-
Other payable	8,659	-	8,659	-
Compensated absences payable	19,298	3,985	23,283	-
Due to other entities	-	-	-	223,295
Mortgage payable-current	54,764	-	54,764	-
Mortgage payable-long term	174,450	-	174,450	370,000
Total Liabilities	364,462	24,932	389,394	593,295
NET ASSETS:				
Investments in capital assets, net of debt	344,932	151,653	496,585	873,795
Restricted for:				
Utility Assistance	56,585	-	56,585	-
Housing	468	-	468	75,890
Unrestricted (Deficit)	246,630	10,847	257,477	187,389
Total Net Assets	\$ 648,615	\$ 162,500	\$ 811,115	\$ 1,137,074

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.
Government Wide Statement of Activities

For the year ended June 30, 2007

Functions/Programs	Direct Expenses	Indirect Expenses	Charges for Services	Program Revenues		Primary Government		Component Units
				Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Increases	Decreases in Net Assets	
						Total Governmental Activities	Total Business-type Activities	
Primary Government								
Governmental Activities								
Health, Welfare, & Social Services:								
Supportive Services:								
Homemaker	\$ 81,471	\$ 8,960	\$ -	\$ 80,413	\$ -	\$ (10,018)		
Information & Assistance	5,905	5,305	-	11,006	-	(204)		
Legal Assistance	5,006	-	-	3,900	-	(1,106)		
Material Aid	25,000	-	-	-	-	(25,000)		
Outreach	31,191	28,198	-	46,691	-	(12,698)		
Other non-priority Services	7,609	6,851	98	10,895	-	(3,467)		
Recreation	23,431	21,097	-	33,159	-	(11,369)		
Multi-purpose Senior Centers	213,631	-	-	281,466	-	67,835		
Nutrition Services:								
Congregate Meals	170,974	87,490	-	195,011	-	(63,453)		
Home Delivered Meals	489,438	232,647	-	497,078	-	(225,007)		
Utility Assistance	80,069	-	-	80,725	-	656		
Disease Prevention & Health Promotion	10,712	7,478	-	9,990	-	(8,200)		
National Family Caregiver Support:								
Respite Care	26,065	-	-	28,384	-	2,319		
Other Services	32,790	21,806	-	45,932	-	(8,664)		
Long-term Care Ombudsman	102,132	-	-	76,623	-	(25,509)		
Senior Activities	29,099	-	-	10,909	-	(18,190)		
Prescription Assistance	142,304	-	-	133,520	-	(8,784)		
Flu Shots	17,171	-	-	12,724	-	(4,447)		
Disaster Services	198	-	-	-	-	(198)		
Transportation & Volunteer Services	9,278	-	-	1,109	-	(8,169)		
Housing	99,260	-	-	-	-	(99,260)		
Administration	88,092	61,808	-	66,214	-	(83,586)		
Fundraising	12,866	-	-	18,339	-	5,493		
Interest on Long-term debt	3,431	-	-	-	-	(3,431)		
Total Governmental Activities	1,707,123	481,640	98	1,644,108	-	(544,557)		
Business-type Activities								
Bingo	1,827,845	38,764	2,108,309	-	-		\$ 241,700	
Bingeaux Café	229,334	9,983	210,233	-	-		(29,084)	
Total Business-type Activities	2,057,179	48,747	2,318,542	-	-		212,616	
Total Primary Government	\$ 3,764,302	\$ 530,387	\$ 2,318,640	\$ 1,644,108	\$ -			
Component Units								
Housing	\$ 337	\$ -	\$ -	\$ -	\$ 1,044,307			\$ 1,043,770
General Revenues:								
Grants and Contributions not Restricted to Specific Programs					66,508			
Insurance Proceeds					500			
Unrestricted Investment Income					5,302			4,182
Loss on Disposal of Assets					(1,357)			
Miscellaneous					24,993			
Transfers					215,211	(215,211)		
Total General Revenues & Transfers					311,157	(215,211)		4,182
Increase (Decrease) in Net Assets					(233,400)	(2,595)		1,047,952
Net Assets - Beginning of the Year					882,015	165,095		89,122
Net Assets - End of the Year					\$ 648,615	\$ 162,500		\$ 1,137,074

The accompanying notes are an integral part of this statement.

EXHIBIT C

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.
Balance Sheet-Governmental Funds

As of June 30, 2007

	<u>General Fund</u>	<u>Senior Centers</u>	<u>Title IIIB</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Non-Major Funds</u>	<u>Total</u>
ASSETS:							
Cash and Cash Equivalents	\$ 131,016	\$ 200	\$ -	\$ -	\$ -	\$ 56,585	\$ 187,801
Miscellaneous receivables	25,919	-	-	-	-	-	25,919
Due from Component Units	223,295	-	-	-	-	-	223,295
Other Assets	1,916	-	-	-	-	-	1,916
Total Assets	\$ 382,146	\$ 200	\$ -	\$ -	\$ -	\$ 56,585	\$ 438,931
LIABILITIES:							
Accounts payable	\$ 89,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,501
Accrued payroll	17,790	-	-	-	-	-	17,790
Other payable	8,659	-	-	-	-	-	8,659
Total Liabilities	115,950	-	-	-	-	-	115,950
FUND BALANCES:							
Reserved for:							
Utility Assistance	-	-	-	-	-	56,585	56,585
Restricted for Housing	468	-	-	-	-	-	468
Unrestricted	265,728	200	-	-	-	-	265,928
Total Fund Balance	266,196	200	-	-	-	56,585	322,981
Total Liabilities and Fund Balances	\$ 382,146	\$ 200	\$ -	\$ -	\$ -	\$ 56,585	\$ 438,931

The accompanying notes are an integral part of this statement

EXHIBIT D**CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.****Reconciliation of the Balance Sheet to the Statement of Net Assets**

As of June 30, 2007

Fund Balance - Total Governmental Funds	\$ 322,981
---	------------

Amounts reported for Governmental Activities in Statement of
Net Assets are different because:

Capital Assets used in governmental activities are not financial resources
and therefore are not reported in the governmental funds

Governmental Capital Assets	\$ 1,002,127	
Less Accumulated Depreciation	<u>(427,981)</u>	574,146

Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds	(229,214)
---	-----------

Compensated absences are not due and payable in the current year and therefore are not reported in the governmental funds	<u>(19,298)</u>
--	-----------------

Net Assets of Governmental Activities	<u>\$ 648,615</u>
---------------------------------------	-------------------

EXHIBIT E

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the year ended June 30, 2007

	General Fund	Senior Centers	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 66,508	\$ 149,803	\$ 157,900	\$ 176,791	\$ 191,324	\$ 418,292	\$ 1,160,618
Calcasieu Parish Police Jury	-	10,771	-	-	100,000	-	110,771
City of Sulphur	-	16,000	-	-	-	-	16,000
Public support:							
Contributions-Unrestricted	16,608	-	-	-	-	4,459	21,067
Contributions-Restricted:							
for M/C Rx Enrollment	-	-	-	-	-	19,190	19,190
for Training Conference	-	-	-	-	-	10,000	10,000
United Way of Southwest Louisiana	-	-	27,000	-	59,000	-	86,000
Utility Company Assistance Programs	-	-	-	-	-	78,805	78,805
Client Contributions	-	17,436	1,164	18,220	57,250	-	94,070
Fundraisers	18,359	-	-	-	-	-	18,359
Interest and other income	5,302	-	-	-	-	1,920	7,222
Program service fees:							
Medicaid Fees	-	-	98	-	-	-	98
Local and miscellaneous	65,899	84,356	-	-	-	2,435	152,690
Total Revenues	172,676	278,366	186,162	195,011	407,574	535,101	1,774,890
EXPENDITURES							
Health, Welfare & Social Services							
Current:							
Salaries	6,072	75,367	105,534	123,722	288,254	247,315	846,264
Fringe	472	6,247	10,024	11,845	28,614	22,902	80,104
Travel	7,317	9,143	4,471	1,871	50,992	10,206	84,000
Operating services	3,638	23,877	23,257	34,042	93,877	71,838	250,529
Operating supplies	37,708	13,633	29,222	9,951	24,416	19,074	134,004
Other costs	24,280	82,160	920	1,121	3,046	1,190	112,717
Full service contracts	-	-	75,980	68,455	225,429	36,357	406,221
Meals	18,459	1,669	-	-	-	15,686	35,814
Utility Assistance	-	-	-	-	-	80,069	80,069
Fund Raising Expense	12,866	-	-	-	-	-	12,866
Debt service - principal and interest	53,932	-	-	-	-	-	53,932
Capital outlay	2,979	-	-	-	1,342	-	4,321
Total Expenditures	167,723	212,096	249,408	251,007	715,970	504,637	2,100,841
Excess (Deficiency) of Revenues over Expenditures	4,953	66,270	(63,246)	(55,996)	(308,396)	30,464	(325,951)
OTHER FINANCING SOURCES (USES)							
Operating transfers in (Note 16)	215,211	-	63,246	55,996	308,396	62,598	705,447
Operating transfers out (Note 16)	(307,703)	(66,270)	-	-	-	(116,263)	(490,236)
Total Other Financing Sources (Uses)	(92,492)	(66,270)	63,246	55,996	308,396	(53,665)	215,211
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(87,539)	-	-	-	-	(23,201)	(110,740)
FUND BALANCES							
Beginning of year	353,735	200	-	-	-	79,786	433,721
End of year	\$ 266,196	\$ 200	\$ -	\$ -	\$ -	\$ 56,585	\$ 322,981

The accompanying notes are an integral part of this statement

EXHIBIT F

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the year ended June 30, 2007

Net Increase (Decrease) in fund balances - total governmental funds \$ (110,740)

Reconciling items:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the current period

Expenditures for Capital Assets \$	4,321	
Less Current Year Depreciation	<u>(42,945)</u>	(38,624)

Loss on disposal of assets is recognized in the Statement of Net Assets, but not reported in governmental funds.	(1,357)
--	---------

Capital assets transferred to component unit are shown as a expenditure in the Statement of Net Assets, but as they do not require the use of current financial resources, they are not reported as expenditures in governmental funds.	(97,483)
---	----------

Repayment of principal on the mortgage payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	50,051
--	--------

Governmental funds report revenues and expenses using the modified accrual basis of accounting. However, in the Statement of Activities, revenues are recognized using the accrual basis of accounting. Accordingly, insurance proceeds accrued in the prior year and received in the current year are recognized as revenue for governmental funds and not in the Statement of Net Assets.	(33,381)
---	----------

Compensated absences is reported as an expense in the statement of activities, but as they do not require the use of current financial resources, they are not reported as expenditures in governmental funds	<u>(1,866)</u>
---	----------------

Increase (Decrease) of net assets of governmental activities	\$ <u>(233,400)</u>
--	---------------------

The accompanying notes are an integral part of this statement

EXHIBIT G

Calcasieu Parish Voluntary Council on Aging, Inc.
Statement of Net Assets
Proprietary Funds
As of June 30, 2007

	Business-type Activities Enterprise Funds		
	Bingeaux Café	Bingo Account	Totals
ASSETS:			
Current Assets:			
Cash	\$ 1,000	\$ 20,603	\$ 21,603
Inventory	4,046	-	4,046
Prepaid income tax	-	6,900	6,900
Miscellaneous receivable	-	3,230	3,230
Total Current Assets	5,046	30,733	35,779
Noncurrent Assets:			
Capital Assets:			
Equipment	44,792	47,682	92,474
Furniture and Fixtures	-	13,035	13,035
Building Improvements	-	44,060	44,060
Land Improvements	-	136,048	136,048
Less: Accumulated Depreciation	(31,486)	(102,478)	(133,964)
Property and Equipment, Net	13,306	138,347	151,653
Noncurrent Assets	13,306	138,347	151,653
Total Assets	\$ 18,352	\$ 169,080	\$ 187,432
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 7,261	\$ 7,020	\$ 14,281
Salaries payable	1,987	2,968	4,955
Accrued leave payable	1,278	2,707	3,985
Sales tax payable	1,711	-	1,711
Total Current Liabilities	12,237	12,695	24,932
Total Liabilities	12,237	12,695	24,932
NET ASSETS:			
Invested in Capital Assets-Net of Debt	13,306	138,347	151,653
Unrestricted	(7,191)	18,038	10,847
Total Net Assets	\$ 6,115	\$ 156,385	\$ 162,500

The accompanying notes are an integral part of this statement

EXHIBIT H

Calcasieu Parish Voluntary Council on Aging, Inc.
Statement of Revenues, Expenses, and Changes in
Net Assets - Proprietary Funds
For the year ended June 30, 2007

	<u>Bingeaux Café</u>	<u>Bingo Account</u>	<u>Totals</u>
Operating Revenue:			
Charges for sales and services	\$ 207,137	\$ 1,865,849	\$ 2,072,986
Rental income	-	239,700	239,700
Miscellaneous income	3,096	2,760	5,856
Total Operating Revenues	<u>210,233</u>	<u>2,108,309</u>	<u>2,318,542</u>
Operating Expenses:			
Cost of sales and services	94,854	1,467,036	1,561,890
Salaries	95,934	195,091	291,025
Fringe	8,889	19,004	27,893
Travel	705	1,316	2,021
Operating services	29,753	141,221	170,974
Operating supplies	4,386	15,308	19,694
Other costs	155	2,209	2,364
Meals	37	374	411
Depreciation	3,311	17,290	20,601
Total Operating Expenses	<u>238,024</u>	<u>1,858,849</u>	<u>2,096,873</u>
Operating Income (Loss)	(27,791)	249,460	221,669
Nonoperating Revenues (Expenses):			
Interest expense	(1,293)	(7,760)	(9,053)
Total Nonoperating Revenues (Expenses)	<u>(1,293)</u>	<u>(7,760)</u>	<u>(9,053)</u>
Income (Loss) Before Transfers and Special Items	(29,084)	241,700	212,616
Transfers In	22,917	-	22,917
Transfers Out	-	(238,128)	(238,128)
Net Transfers and Special Items	<u>22,917</u>	<u>(238,128)</u>	<u>(215,211)</u>
Change in Net Assets	(6,167)	3,572	(2,595)
Total Net Assets-July 1, 2006	<u>12,282</u>	<u>152,813</u>	<u>165,095</u>
Total Net Assets-June 30, 2007	<u>\$ 6,115</u>	<u>\$ 156,385</u>	<u>\$ 162,500</u>

The accompanying notes are an integral part of this statement

EXHIBIT I

Calcasieu Parish Voluntary Council on Aging, Inc.

Statement of Cash Flows-

Proprietary Funds

For the year ended June 30, 2007

	Business-type Activities- Enterprise Funds		
	Proprietary Fund Types		
	Bingeaux Café	Bingo Account	Totals
<u>Cash flows from Operating Activities</u>			
Cash received from customers	\$ 210,232	\$ 2,108,533	\$ 2,318,765
Cash payments for cost of sales and prizes	(94,854)	(1,467,036)	(1,561,890)
Cash payments for income taxes	-	(6,900)	(6,900)
Cash payments to suppliers for goods and services	(33,136)	(157,584)	(190,720)
Cash payments to employees and professional contractors for services	(103,866)	(213,514)	(317,380)
Net cash provided (used) by operating activities	(21,624)	263,499	241,875
<u>Cash flows from non-capital financing activities</u>			
Contributions Received	-	-	-
Transfers In	22,917	-	22,917
Transfers Out	-	(238,128)	(238,128)
Net cash provided (used) by non-capital financing activities	22,917	(238,128)	(215,211)
<u>Cash flows from capital and related financing activities</u>			
Purchase of Capital Assets	-	(10,370)	(10,370)
Receipt of Insurance proceeds	-	-	-
Payment of Interest	(1,293)	(7,760)	(9,053)
Net cash provided (used) by capital and related financing activities	(1,293)	(18,130)	(19,423)
Net Increase (Decrease) in Cash and Cash Equivalents	-	7,241	7,241
Cash Beginning of Year	1,000	13,362	14,362
Cash End of Year	\$ 1,000	\$ 20,603	\$ 21,603
<u>Reconciliation of Operating Income to Net Cash Flows from Operating Activities:</u>			
Operating Income (Loss)	\$ (27,791)	\$ 249,460	\$ 221,669
Add Depreciation Expense	3,311	17,290	20,601
(Increase) Decrease in Current Assets:			
Miscellaneous Receivable	-	225	225
Inventory	-	-	-
Prepaid Income Tax	-	(6,900)	-
Increase (Decrease) in Current Liabilities:			
Accounts Payable	1,292	2,844	4,136
Salaries and Compensated Absences Payable	957	581	1,538
Sales Tax Payable	608	-	608
Net Cash Flows from Operating Activities	\$ (21,623)	\$ 263,500	\$ 241,877

The accompanying notes are an integral part of this statement

EXHIBIT J

Calcasieu Parish Voluntary Council on Aging, Inc.
Statement of Fiduciary Net Assets-
Fiduciary Fund
As of June 30, 2007

	<u>Progressive Jackpot</u>
ASSETS	
Cash	\$ 96,193
Total Assets	\$ <u>96,193</u>
LIABILITIES	
Due to other entities	\$ 1,600
Total Liabilities	<u>1,600</u>
NET ASSETS	
Held in trust for payment to progressive game winners	\$ <u>94,593</u>

The accompanying notes are an integral part of this statement

EXHIBIT K

Calcasieu Parish Voluntary Council on Aging, Inc.
Statement of Changes in Fiduciary Net Assets-
Fiduciary Funds
As of June 30, 2007

	<u>Progressive Jackpot</u>
ADDITIONS	
Deposits by session participants	\$ <u>131,000</u>
Total Additions	<u>131,000</u>
DEDUCTIONS	
Payments to game winners	<u>106,100</u>
Total Deductions	<u>106,100</u>
 Change in Net Assets	 24,900
 Net Assets-July 1, 2006	 <u>69,693</u>
Net Assets-June 30, 2007	\$ <u><u>94,593</u></u>

The accompanying notes are an integral part of this statement

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies

A. Organizational Information

The local councils on the aging were created under Act No. 456 of 1964 for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs and any other entity that provides the Council with federal or state funds.

The Calcasieu Parish Voluntary Council on Aging, Inc. (Council) was incorporated in May, 1982. The basic purposes of the organization are as follows:

- To afford an avenue for working out a more complete understanding of the problems, interests and desires of the elderly people of Calcasieu Parish. For this purpose, anyone who has attained the age of sixty (60) years shall be considered elderly.
- To develop plans for counseling the elderly about the problems of aging and to implement such plans.
- To develop and implement plans and programs of education whereby people who need to supplement their retirement income or those who wish to do so will be able to earn an income by their own efforts.
- To develop and implement plans and programs of education for the improvement of health, social and recreational welfare of elderly people.
- To collect facts and statistics and make special studies of conditions pertaining to employment, health, financial status, recreation, social adjustment and other conditions affecting the welfare of the elderly of Calcasieu Parish and to interpret such findings and make recommendations for improvement to the Governor's Office of Elderly Affairs.

A Board of Directors, consisting of seventeen (17) voluntary members, representing each of the fifteen (15) districts of Calcasieu Parish plus two (2) members at large, governs the Council.

B. Reporting Entity:

As required by generally accepted accounting principles, these financial statements present Calcasieu Voluntary Council on Aging, Inc. (the primary government) and its component units. The component units disclosed in Note C are included in the Council's reporting entity because of the significance of their operational or financial relationships with the Council.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

B. Reporting Entity: (continued)

Based on the criteria set forth in GASB Statement 14, the Council is not a component unit of another primary government. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

C. Individual Component Units Disclosure:

The component units columns and rows in the government-wide statement of net assets and statement of activities include the financial data of the Council's other component units. They are reported in a separate column or a separate row to emphasize that they are legally separate from the Council. DeQuincy Elderly Housing Corporation's and Iowa Elderly Housing Corporation's directors are elected by the Council as the sponsoring corporation. The Greater Southwest Louisiana Community Housing Development Organization, Inc.'s Board of Directors is elected from the membership and is representative of the service area of the Council.

1. The DeQuincy Elderly Housing Corporation is constructing apartments for low income elderly persons age 62 and over. The directors of the Corporation shall, at all times, be limited to individuals who are either members of the corporation of the Council or nonmembers who have the approval of the Board of Directors of the said sponsoring organization. In the event that a member of the Corporation ceases to be a member of the Council, or, if the aforesaid approval is withdrawn, then either such event shall constitute automatic resignation as a member and director of the Corporation. The Council has advanced \$41,019 to De Quincy Elderly Housing Corporation for which it anticipates reimbursement from future funds.
2. The Greater Southwest Louisiana Community Housing Development Organization, Inc. (the CHDO) promotes community development with a principal purpose of planning, developing, or managing decent, affordable housing, or any other economic and community development project for low and moderate income families. The CHDO is in the planning stages of construction of a multi-unit housing complex. Currently, the CHDO is fiscally dependent upon the Council. The Council has advanced \$173,998 to the CHDO for which it anticipates reimbursement from future funds.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

C. Individual Component Units Disclosure: (continued)

3. The Iowa Elderly Housing Corporation is constructing apartments for low income elderly persons age 62 and over. The directors of the Corporation shall, at all times, be limited to individuals who are either members of the corporation of the Council or nonmembers who have the approval of the Board of Directors of the said sponsoring organization. In the event that a member of the Corporation ceases to be a member of the Council, or, if the aforesaid approval is withdrawn, then either such event shall constitute automatic resignation as a member and director of the Corporation. The Council has advanced \$8,278 to Iowa Elderly Housing Corporation for which it anticipates reimbursement from future funds.

Separate financial statements for the above component units may be obtained by contacting Sonya "Toni" Caraway at the Council's office. (3950 Hwy 14; Lake Charles, LA 70607; 337-474-2583)

Following are condensed financial statements for the Council's discretely presented component units.

	DeQuincy Elderly Housing Corporation	Greater Southwest Louisiana Community Housing Development Organization, Inc.	Iowa Elderly Housing Corporation	Total Component Units
Assets				
Cash, investments, and other assets	\$ 5,415	\$ 253,562	\$ 4,302	\$ 263,279
Capital assets, net	1,004,879	368,235	93,976	1,467,090
Total Assets	1,010,294	621,797	98,278	1,730,369
Liabilities				
Accounts payable and other current liabilities	41,019	173,998	8,278	223,295
Long-term liabilities	-	280,000	90,000	370,000
Total Liabilities	41,019	453,998	98,278	593,295
Net Assets				
Investment in capital, net of related debt	1,004,879	88,235	3,976	1,097,090
Restricted for housing construction	-	75,890	-	75,890
Unrestricted (deficit)	(35,604)	3,674	(3,976)	(35,906)
Total Net Assets	\$ 969,275	\$ 167,799	\$ -	\$ 1,137,074

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

C. Individual Component Units Disclosure: (continued)

Condensed Statement of Activities

	Expenses	Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			Total
			DeQuincy Elderly Housing Corporation	Louisiana Community Housing Development Organization, Inc.	Iowa Elderly Housing Corporation	
DeQuincy Elderly Housing Corporation						
Other operating expenses	\$ 29	\$ 971,555	\$ 971,526			
Total DeQuincy Elderly Housing Corp.	29	971,555	971,526			
Greater Southwest Louisiana Community						
Other operating expenses	\$ 508	\$ 72,752		\$ 72,244		
Total - CHDO	508	72,752		72,244		
Iowa Elderly Housing Corporation						
Other operating expenses	\$ -	\$ -			\$ -	
Total Iowa Elderly Housing Corp.	-	-			-	
Total Component Units	\$ 537	\$ 1,044,307				\$ 1,043,770
General Revenues:						
Unrestricted Investment Income			-	4,182	-	4,182
Total General Revenue			-	4,182	-	4,182
Change in Net Assets			971,526	76,426	-	1,047,952
Net Assets - Beginning			13,232	75,890	-	89,122
Net Assets - Ending			\$ 984,758	\$ 152,316	\$ -	\$ 1,137,074

D. Statement of Presentation:

The accompanying financial statements conform to generally accepted accounting principles in the United States of America as applicable to government entities. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI – Annual Financial Reporting, accounting manual for the Louisiana Governor's Office of Elderly Affairs contractors; and the *Louisiana Governmental Audit Guide*. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The Council's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

E. Basic Financial Statements - Government-Wide Statements

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). The Government-Wide financial statements include the statements of net assets and the statement of activities. These statements report financial information for the Council as a whole excluding fiduciary activities such as the progressive jackpot and progressive pull tab accounts.

Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. Individual funds are not displayed but the statements distinguish governmental activities generally supported by federal, state, and local grant revenues from business-type activities, generally financed in whole or in part with fees charged to external customers. The Council's functions and programs have been classified as governmental activities.

In the Government-Wide Statement of Net Assets, the governmental type activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as all long-term debt and obligations. The Council's net assets are reported in three parts- invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

Investment in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net capital assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net assets include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Council's policy is to use restricted resources first to finance its activities except for nutrition services. When providing nutrition services revenues earned by the Council under its NSIP contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under on of the nutrition programs. The Council's management has discretion as to how and when to use the NSIP revenues when paying for nutrition program costs. Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Council will depart from its usual policy

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

E. Basic Financial Statements - Government-Wide Statements (continued)

of using restricted resources first.

The Government-Wide Statement Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect cost allocation." In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The Government-Wide Statements focus upon the Council's ability to sustain operations and the change in its net assets resulting from the current year's activities.

F. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the fund financial statements. Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

F. Basic Financial Statements- Fund Financial Statements (continued)

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted assets are used to pay for the liabilities incurred by this fund and there are no legal mandates to use a debt service fund.

The following programs comprise the Council's General Fund:

Other Local

Revenues, such as, (1) donations from the general public, (2) income from various fund raisers, and (3) interest income earned on idle funds which have been invested, have been recorded in the "other local" program of the General Fund. Expenses incurred which are not chargeable to specific programs are recorded as "other local" program expenditures. Also, expenses incurred to fund raising income are charged as "other local" program expenditures. "Other local" funds are also used as transfers to special revenue funds to supplement those programs. In addition, fixed asset additions are generally paid with "other local" funds.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governors Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services – Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

F. Basic Financial Statements- Fund Financial Statements (continued)

The following are the funds which comprise the Council's Special Revenue Funds:

Major Special Revenue Funds

Senior Center Fund

The Senior Center is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates five senior centers in Calcasieu Parish, Louisiana. Some of this year's Senior Center funds were transferred to help pay for the costs of providing Title III - B supportive services to people who used the Senior Center.

Title III B – Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

The fund is also used to account for money received for assistance with Medicaid services. The Council completes enrollment application for people wanting to apply for Medicaid services. The Council is paid \$14 per application it completes by the Department of Health and Hospitals (DHH). Any funds remaining after applying direct costs to operate this program are available for discretionary use by management.

The Council also acts as a coordinator of services for people who are homebound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the case management function.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

F. Basic Financial Statements- Fund Financial Statements (continued)

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 2006 to June 30, 2007, the Council served about 36,029 congregate meals.

Title III C-2 Home Delivered Meals Fund

The Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 2006 to June 30, 2007, the Council served about 118,647 home delivered meals.

Non-Major Special Revenue Funds

Title III-C Area Agency Administration (AAA) Fund

The Title III-C Area Agency Administration (AAA) Fund is used to account for some of the administrative costs associated with operating the Special Programs for the Aging.

Title III D Fund

The Title III D Fund is used to account for funds which are used to provide in-home services to the frail and elderly person who is home-bound, including individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. During the year, the Council used its Title III D funds to provide Medic Alert units to eligible participants.

Title III E - Family Caregiver Support Program Fund

The Title III E Fund is used to account for funds used to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers.

Title III-B – Ombudsman Fund

The Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

F. Basic Financial Statements- Fund Financial Statements (continued)

N.S.I.P. Fund

The N.S.I.P. Fund is used to account for the administration of Nutrition Services Incentives Program Funds provided by the Administration on Aging, United States Department of Health and Human Services through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. GOEA distributes N.S.I.P. funds to each parish council on aging in Louisiana based on how many meals each council on aging served in the previous year in relation to the total meals served statewide by all councils. Using this formula, the Council receives from GOEA approximately 54.05 cents per congregate and home-delivered meal it serves. The primary purpose of the N.S.I.P. reimbursement is to provide money to buy food that will be used in the preparation of congregate and home-delivered meals under nutrition service programs. The food that is purchased for these purposes must be of United States origin or be commodities from the United States Department of Agriculture.

Title SeniorRx Program Fund

The SeniorRx Program Fund is used to account for funds used to provide senior citizens access to medication via the Louisiana Senior Rx Program.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. The Calcasieu Parish Voluntary Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

Utility Assistance Fund

The Energy Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and employees and remit the funds directly to the Council or to the Louisiana Association of Councils on Aging (LACOA), which in turn remits funds relating to the Calcasieu Parish Voluntary Council on Aging, Inc. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

Audit Fund

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

F. Basic Financial Statements- Fund Financial Statements (continued)

Social Services Block Grant (SSBG) Fund

The SSBG Fund is used to account for the administration of the program established through the Department of Defense Appropriations Act, 2006, enacted December 30, 2005 to provide social services for special populations, including the elderly, to help meet their special needs as a result of the hurricanes in the Gulf of Mexico in 2005. This program is intended to provide living assistance to seniors and/or individuals with adult onset disabilities to enable them to return to their home or to otherwise facilitate their recovery from Hurricanes Rita or Katrina of 2005.

Volunteer Wheels and More Fund

Volunteer Wheels and More is a program of Calcasieu Parish Voluntary Council on Aging, Inc. offering free transportation and other volunteer services to isolated seniors age 60 and above who live within their geographic borders.

Housing Fund

The Housing Fund was created to assist in the development of affordable housing for the elderly.

Disaster Services Fund

The Disaster Services Fund was created to provide disaster assistance gap filling services from Hurricane Rita.

Business -Type Funds

Proprietary Funds

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Council applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Council has not elected to apply those FASB pronouncements issued after November 30, 1989 for its proprietary activities. Proprietary funds included the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The following enterprise funds are utilized by the Council:

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

F. Basic Financial Statements- Fund Financial Statements (continued)

Bingeaux Café Fund accounts for the operation of the concession area during the various bingo sessions.

Bingo Fund accounts for the income and expenses associated with the bingo sessions held at the Council's main location.

Fiduciary Funds

Fiduciary Funds account for assets held by the Council in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the Council under the terms of a formal trust agreement.

The following funds are fiduciary funds:

Progressive Jackpot Fund

The progressive Jackpot Fund has been set up and held in trust for the Bingo Session Sponsors. Amounts are deposited from each bingo session which accumulate and are disbursed when a bingo participant wins the black out bingo game.

G. Measurement Focus and Basis of Accounting:

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual Basis- Government-Wide Financial Statements (GWFS):

The Statement of Net Assets and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

G. Measurement Focus and Basis of Accounting: (continued)

2. Modified Accrual Basis- Governmental Fund Financial Statements (FFS): (continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are (1) unmatured principal and interest on long-term debt, if any are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales and services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

H. Transfers and Interfund Loans:

Advances between funds which are not expected to be repaid are accounted for as transfers. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund's financial statements to the change in net assets in the Government-Wide Financial Statements. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

I. Budget Policy:

The Council follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.
2. The Council may also obtain grants from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.
3. Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
4. The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.
5. The Board of Directors reviews and adopts the budget prior to June 30 each year for the next year.
6. The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.
7. All budgetary appropriations lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.
8. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
9. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. There was one amendment during the year, which was effective July 1, 2006.
10. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

I. Budget Policy (continued):

11. The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As a part of this grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
12. Expenditures cannot legally exceed appropriations on an individual fund level.
13. The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

J. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resource to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. No depreciated expense is recognized for land costs. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Building	40 years
Furniture & Equipment	5-10 years
Vehicles	5 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

K. Compensated Absences:

The Council's liability for accumulated unpaid vacation has been recorded in the Government-Wide Statements. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. No liability is reported for unpaid accumulated sick leave since the sick leave policy does not provide for the vesting of sick leave. For business-activity funds, vacation pay is accrued when incurred and reported as a fund liability.

In contrast, the government funds in the Fund Financial Statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements. The differences in the methods of accruing compensated absences, creates a reconciling item between the fund and government-wide financial statement presentations.

Annual leave is based on the number of years of service and is earned as follows:

First Year	3.34 Hours Per Month
Two to Four Years	6.67 Hours Per Month
Five to Nine Years	10 Hours Per Month
Ten to Nineteen Years	13.34 Hours Per Month
Twenty Years or more	16.67 Hours Per Month

No more than forty hours of vacation leave may be carried over at the end of an employee's anniversary date. No pay will be granted in lieu of annual leave.

L. Related Party Transactions:

There were not any related party transactions during the fiscal year

M. Restricted Assets:

Restricted assets represent assets which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council. Restricted assets are offset by a corresponding reservation of the Council's fund balance.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 -- Organizational Information and Summary of Significant Accounting Policies (cont.)

N. Reservation and Designations of Fund Balances:

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

O. Prepaid Expenses:

Prepaid expenses include amounts paid for services in advance. These are shown as assets on the Government-Wide Statement of Net Assets.

In the financial statements, the Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure. At year end, there were not any prepaid expenses.

P. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Q. Cash and Cash Equivalents

For purposes of the proprietary fund statement of cash flows, the Council considers all cash and highly liquid debt instruments, purchased with a maturity of three months or less, to be cash and cash equivalents.

R. Inventory

For proprietary funds, inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed, whereas proprietary funds recorded them when consumed.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 1 – Organizational Information and Summary of Significant Accounting Policies (cont.)

S. Allocation of Indirect Expenses:

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

T. Elimination and Reclassifications:

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Note 2 – Revenue Recognition

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting. Revenues are recorded in the Fund Financial Statements as follows:

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

Program Service Fees

Program Service Fees are recognized when the Council provides the service that entitles the Council to charge the recipients for the services received.

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are provided from public donations via utility company programs. In addition, various fundraisers are held during the year to obtain funds to offset costs of general operations and senior activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 2 – Revenue Recognition (cont.)

Bingo and Cafe Revenue

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method the Council recognizes revenue when earned and expenses are recorded at the time the liabilities are incurred.

Note 3 – Cash

The Council maintains a consolidated bank account, listed below as “General Operating”, to deposit the money it collects and to pay its bills. The consolidated bank account is available for use by all general and special revenue funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management.

The consolidated account also allows those funds with available cash balances to cover any negative cash balances in other funds at year end. Separate bank accounts are maintained for restricted accounts, fiduciary funds, and the proprietary funds.

At June 30, 2007, the Council had the following balances in its cash accounts:

	Bank Balance	Book Balance
Petty Cash and Cash on Hand	\$ -	\$ 10,260
Demand Deposit Accounts :		
Capital One:	15,766	15,614
General Operating Accounts:		
Chase Bank:		
General Operating	46,720	38,994
General Reserve	70,604	70,604
Special Projects	4,721	4,604
Utility Assistance - Restricted	57,585	56,585
Bingo ATM (Proprietary)	1,540	6,120
Bingo Account (Proprietary)	38,467	6,623
Total Cash - Governmental Funds	235,403	209,404
Progressive Jackpot (Fiduciary)	95,393	96,193
Total Cash	\$ 330,796	\$ 305,597

Governmental Accounting Standards Board Statement 3 (GASB-3) concludes that deposits with financial institutions should be evaluated for risk and classified in one of the three following categories:

Category 1 – Insured or collateralized with securities held by the governmental entity or by its agent in the name of the governmental entity.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the governmental entity's name.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 3 – Cash (continued)

Category 3 – Uncollateralized or collateralized with securities that are not evidenced by a written security agreement or not in the name of the governmental entity.

	<u>Bank</u>	<u>Book</u>
	<u>Balance</u>	<u>Balance</u>
Category 1	\$ 330,796	\$ 295,337
Category 2	-	-
Category 3	-	-
Total Cash	\$ <u>330,796</u>	\$ <u>295,337</u>

- Petty Cash and cash on hand of \$10,260 are not presented in the above presentation.

Note 4 – Grants Receivable / Miscellaneous Receivables

The following amounts were recorded as receivables at June 30, 2007:

Governmental Activities:

General Fund

NSIP Grant Receivable	\$ 14,155
Receivable from Blue Cross/Blue Shield	11,655
Other Receivable	<u>109</u>
Total General Fund	\$ <u>25,919</u>

Business Type Activities

Proprietary Funds:

Bingo

NSF Checks	\$ <u>3,230</u>
------------	-----------------

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 5 – Changes in Capital Assets

Governmental Activities

A summary of changes in capital assets follows:

<u>Capital Assets</u>	<u>Balance July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2007</u>
Building	\$ 562,030	\$ -	\$ -	\$ 562,030
Vehicles	108,021	-	-	108,021
Furniture & Equipment	141,505	4,321	1,850	143,976
Subtotals	811,556	4,321	1,850	814,027
Less Accumulated Depreciation:				
Building	(226,952)	(15,922)	-	(242,874)
Vehicles	(62,706)	(18,980)	-	(81,686)
Furniture & Equipment	(95,871)	(8,043)	493	(103,421)
Subtotals	(385,529)	(42,945)	493	(427,981)
Land	188,100	-	-	188,100
Net Capital Assets	\$ <u>614,127</u>	\$ <u>(38,624)</u>	\$ <u>1,357</u>	\$ <u>574,146</u>

Depreciation was charged to governmental activities as follows:

Nutrition Services:	
Congregate Meals	\$ 7,457
Home Delivered	7,457
Multipurpose Senior Centers	1,535
SeniorRx	1,996
Long-Term Care Ombudsman	105
Area Agency Administration	24,395
Total Depreciation Expense for Governmental Activities	\$ <u>42,945</u>

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 5 – Changes in Capital Assets

Governmental Activities (continued)
Business-type Activities

Summary of proprietary fund type fixed assets for the Council at June 30, 2007:

	Bingeaux Café Fund	Bingo Fund	Totals
Building Improvements	\$ -	\$ 44,060	\$ 44,060
Land Improvements	-	136,048	136,048
Furniture & Fixtures		13,035	13,035
Equipment	44,792	47,682	92,474
Total Fixed Assets	44,792	240,825	285,617
Less: Accumulated Depreciation	(31,486)	(102,478)	(133,964)
Net Fixed Assets	\$ 13,306	\$ 138,347	151,653
Depreciation Expense	\$ 3,311	\$ 17,290	\$ 20,601

Note 6 – In-Kind Contributions

The Calcasieu Parish Voluntary Council on Aging, Inc. received various in-kind contributions during the year. These amounts have been valued at their estimated fair market value and presented in this report as revenue.

A summary of the in-kind contribution and their respective assigned values is as follows:

Governmental Funds	Salaries	Operating Services	Operating Supplies	Other	Rent	Total In-Kind
Senior Centers	\$ 37,355	\$ 27,148	\$ 10,113	\$ 185	\$ 234,900	\$ 309,701
III C-1 Congregate Meals	16,238	-	-	-	280,600	296,838
III B Supportive Services	35,841	2,400	-	-	-	38,241
III B Supportive Services-Legal	-	2,681	-	-	-	2,681
Ombudsman	5,845	-	-	-	-	5,845
Special Projects (General Fund)	-	1,340	7,870	-	4,000	13,210
	\$ 95,279	\$ 33,569	\$ 17,983	\$ 185	\$ 519,500	\$ 666,516

The Council received additional support through services contributed by volunteers that does not meet the criteria for recognition under generally accepted accounting principles because the Council would not hire additional paid employees to perform these services if volunteers were not available.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 7 – Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, some board members were reimbursed for expenses incurred in conducting Council related activities.

Note 8 – Lease Information

The Council has entered into long-term leases for a copier, telephone system, and a postage meter and scale. These leases did not meet the criteria established for capitalized lease reporting; therefore the leases were reflected as operating leases. Terms of these leases are as follows:

	<u>Monthly Payments</u>	<u>Number of Months</u>	<u>Date Payments Began</u>
(3) Digital Copiers	\$ 339	60	6/21/2005
Telephone System	420	60	6/29/2005

Note 8 – Lease Information (Continued)

Future minimum payments by year and in the aggregate, under these operating leases consist of the following at June 30, 2007:

<u>Year Ending June 30:</u>	<u>Digital Copiers</u>	<u>Telephone System</u>	<u>Totals</u>
2008	4,068	5,040	9,108
2009	4,068	5,040	9,108
2010	4,068	5,040	9,108
2011	3,729	4,620	8,349
Totals	\$ 15,933	\$ 19,740	\$ 35,673

Lease Expense totaled \$9, 149, for the year ended June 30, 2007.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 9 – Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code of 1986 and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax. While the Council is exempt from federal income taxes, it is still subject to tax on unrelated business taxable income (UBTI) that is generated. The Council is liable for UBTI that was generated from instant bingo games (i.e. pull tabs), dauber sales, video bingo commissions, a portion of bingo session fees, video bingo operations, the operation of Bingeaux Café and unrelated debt financed income from the rental of the Bingo Hall. In the current year the Council experienced a net operating loss (NOL) of \$37,303 from the aforementioned activities. This loss can be carried back five years and any remaining NOL can be carried forward twenty years and applied against taxable income.

Note 10 – Changes in Long-Term Debt

The following is a summary of changes in the long-term debt for the year ended June 30, 2007.

	Balance July 1, 2006	Principal		Balance June 30, 2007
		Additions	Reductions	
Mortgage Payable	\$ 279,265	\$ -	\$ 50,051	\$ 229,214
Compensated Absences Payable	21,039	2,244	-	23,283
Totals	\$ 300,304	\$ 2,244	\$ 50,051	\$ 252,497

Long-Term debt consists of the

Mortgage payable - due in monthly installments of \$5,249, including interest at 4.970% amortized over seven years, final payment due June 7, 2011; secured by land and building

\$ 229,214

Compensated Absences Payable

23,283

Total Long-Term Debt

\$ 252,497

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 10 – Changes in Long-Term Debt (cont.)

The annual principal requirements to amortize all debt outstanding follows:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Amount</u>
2008	76,136	10,132
2009	55,567	7,418
2010	58,392	4,593
2011	62,402	1,624
Totals	\$ 252,497	\$ 23,767

The liabilities for compensated absences have been reflected in the 2007 “principal amount” column “as current” even though management is unsure as to the eventual payment date.

Note 11 – Judgments, Claims, and Similar Contingencies

Management is unaware of any judgments, claims or similar contingencies.

Note 12 – Contingencies – Grant Program

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council had not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year end may be impaired. In management’s opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that might be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

Note 13 – Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor’s Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 13 – Economic Dependency (cont.)

Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

While the funds presented as Proprietary Funds will serve to reduce the dependency by the Council on federal and state grants, the Council is still deemed to be primarily dependent on the above grants to provide the basic operating funds.

Note 14 – Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur.

Note 15 – Interfund Transfers

These amounts represent interfund transfers between funds to supplement current year programs:

	General Fund	Senior Centers	N.S.I.P.	Supp. Sr. Cr	Disaster Assistance	Proprietary Funds-Bingo	Funds Transferred
Funds Transferred Out:							
Governmental Funds:							
General Fund:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,211	\$ 215,211
Special Revenue:							
Title III-B - Ombudsman	25,404	-	-	-	-	-	25,404
Title III-B - Support. Serv.	-	55,487	-	3,100	4,659	-	63,246
Title III-C-1	55,996	-	-	-	-	-	55,996
Title III-C-2	189,109	10,783	89,504	-	19,000	-	308,396
Title III-D	8,200	-	-	-	-	-	8,200
Title III-E	6,345	-	-	-	-	-	6,345
SeniorRx	6,788	-	-	-	-	-	6,788
SSBG	616	-	-	-	-	-	616
Wheels and More	8,169	-	-	-	-	-	8,169
Housing	7,076	-	-	-	-	-	7,076
Proprietary Funds:							
Bingeaux Café	-	-	-	-	-	22,917	22,917
Total Out	\$ 307,703	\$ 66,270	\$ 89,504	\$ 3,100	\$ 23,659	\$ 238,128	\$ 705,447

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 16 – Inter-fund Receivables (Interfund – Receivables)

Because the council operates many of its programs under cost reimbursement type grants, it has to pay for costs using General Fund money and then request reimbursement. Such advances create inter-fund receivables and payables.

The Council utilizes one main bank account for operating receipts and expenditures and tracks interfund receivables and payables. There were no interfund receivables or payables at June 30, 2007.

Note 17 – Retirement Commitments

Employees of the Council are participants in the Social Security system and retirement benefits are provided by that system.

Additionally, the Council established a 403(b) tax sheltered annuity plan effective September 1, 2001.

Any eligible employee shall be eligible to participate in salary reduction contributions hereunder on the date of such employee's employment with the employer. However, with respect to non-salary reduction contributions, any eligible employee who has completed one (1) year of service shall be eligible to participate hereunder as of the date such employee has satisfied such requirements.

For each plan year the employer shall contribute to the plan:

- a) The amount of the total salary reduction elections of all participants made shall be deemed an employer elective contribution.
- b) On behalf of each Participant who is eligible to share in matching contributions for the Plan Year, a discretionary matching contribution equal to a uniform percentage of each such Participant's Deferred Compensation, the exact percentage, if any, to be determined each year by the Employer, which amount, if any, shall be deemed an Employer Non-Elective Contribution.
- c) All contributions by the Employer shall be made in cash.

Retirement expense totaled \$11,751, for the year ended June 30, 2007.

Calcasieu Parish Voluntary Council on Aging, Inc.
Notes to Financial Statements
June 30, 2007

Note 18 – Changes in Fiduciary Funds

Progressive Jackpot

Balance July 1, 2006	\$	69,693
Additions		131,000
Reductions		(106,100)
Balance June 30, 2007	\$	<u>94,593</u>

Note 19- Fund Balances (Deficits) – Special Revenue Funds

At year-end, two special revenue funds had remaining fund balances and one had a fund deficit. Usually, the fund balances of the special revenue funds are cleared out at year-end to comply with the administration and accounting policies of the grantor agencies that have awarded the Council certain grants. However, there are exceptions to these policies.

The Utility Assistance Fund had a fund balance of \$56,585, resulting from utility assistance contributions that remained unspent as of year-end. The donors restrict these contributions for specified purposes. Accordingly, management separately accounts for them in a special revenue fund to ensure accountability. Utility assistance fund balances are common amongst the council on aging entities. Utility assistance is a supportive service rendered under the Council's Title III B program.

Note 19- Fund Balances – Special Revenue Funds (cont.)

Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B Fund, GOEA prefers that councils on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

The Senior Centers special revenue fund had \$200 of petty cash which remained unspent at June 30, 2007.

Schedule 1

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.**Budgetary Comparison Schedule****General Fund****For the year ended June 30, 2007**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Non-GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 41,508	\$ 41,508	\$ 66,508	\$ 25,000
Public support:				
Contributions-unrestricted	15,504	15,504	16,608	1,104
Fundraisers	24,996	24,996	18,359	(6,637)
Interest and other income	5,040	5,040	5,302	262
Local and miscellaneous	25,392	25,392	65,899	40,507
Total Revenues	112,440	112,440	172,676	60,236
EXPENDITURES				
Health, Welfare & Social Services				
Current:				
Salaries	2,664	2,664	6,072	(3,408)
Fringe	252	252	472	(220)
Travel	6,804	6,804	7,317	(513)
Operating services	-	-	3,638	(3,638)
Operating supplies	2,928	2,928	37,708	(34,780)
Other costs	-	-	24,280	(24,280)
Meals	2,208	2,208	18,459	(16,251)
Fund Raising Expense	21,168	21,168	12,866	8,302
Debt service - principal and interest	53,268	53,268	53,932	(664)
Capital outlay	-	-	2,979	(2,979)
Total Expenditures	89,292	89,292	167,723	(78,431)
Excess (Deficiency) of Revenues over Expenditures	23,148	23,148	4,953	(18,195)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (Note 16)	209,856	209,856	215,211	5,355
Operating transfers out (Note 16)	(266,961)	(266,961)	(307,703)	(40,742)
Total Other Financing Sources (Uses)	(57,105)	(57,105)	(92,492)	(35,387)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(33,957)	(33,957)	(87,539)	(53,582)
FUND BALANCES				
Beginning of year	353,735	353,735	353,735	-
End of year	\$ 319,778	\$ 319,778	\$ 266,196	\$ (53,582)

Notes:

Actual expenditures exceeded budgetary appropriations by \$79,878, which was covered by local monies received in excess of amount budgeted and transfers from the proprietary bingo fund.

Schedule 2

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.

Budgetary Comparison Schedule

Senior Centers

For the year ended June 30, 2007

	Budgeted Amount		Actual Amounts	Variance with
	Original	Final	Non-GAAP Basis	Final Budget Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 106,867	\$ 149,803	\$ 149,803	\$ -
Calcasieu Parish Police Jury	-	9,000	10,771	1,771
City of Sulphur	17,000	16,000	16,000	-
Public support:				
Client Contributions	-	-	17,436	17,436
Local and miscellaneous	-	-	84,356	84,356
Total Revenues	123,867	174,803	278,366	103,563
EXPENDITURES				
Health, Welfare & Social Services				
Current:				
Salaries	45,050	65,784	75,367	(9,583)
Fringe	5,538	7,494	6,247	1,247
Travel	3,810	9,154	9,143	11
Operating services	19,037	24,564	23,877	687
Operating supplies	1,692	11,702	13,633	(1,931)
Other costs	-	-	82,160	(82,160)
Meals	-	-	1,669	(1,669)
Total Expenditures	75,127	118,698	212,096	(93,398)
Excess (Deficiency) of Revenues over Expenditures	48,740	56,105	66,270	10,165
OTHER FINANCING SOURCES (USES)				
Operating transfers in (Note 16)	-	-	-	-
Operating transfers out	(48,740)	(56,105)	(66,270)	(10,165)
Total Other Financing Sources (Uses)	(48,740)	(56,105)	(66,270)	(10,165)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	200	200
End of year	\$ -	\$ -	\$ 200	\$ 200

Notes:

Actual expenditures exceeded budgetary appropriations by \$93,398. Other costs totaling \$82,160 were for senior trips of which deposits of \$84,338 were collected and reported as miscellaneous income. The balance of the excess appropriations were covered by locals funds received.

Schedule 3

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.**Budgetary Comparison Schedule****Title III B**

For the year ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Non-GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 157,900	\$ 157,900	\$ 157,900	\$ -
Public support:				
United Way of Southwest Louisiana	27,000	27,000	27,000	-
Client Contributions	2,100	1,050	1,164	114
Program service fees:				
Medicaid Fees	-	-	98	98
Total Revenues	187,000	185,950	186,162	212
EXPENDITURES				
Health, Welfare & Social Services				
Current:				
Salaries	127,584	152,822	105,534	47,288
Fringe	14,248	16,723	10,024	6,699
Travel	3,571	3,663	4,471	(808)
Operating services	36,073	54,054	23,257	30,797
Operating supplies	4,389	8,609	29,222	(20,613)
Other costs	-	-	920	(920)
Full service contracts	96,405	86,825	75,980	10,845
Capital outlay	1,335	1,495	-	1,495
Total Expenditures	283,605	324,191	249,408	74,783
Excess (Deficiency) of Revenues over Expenditures	(96,605)	(138,241)	(63,246)	74,995
OTHER FINANCING SOURCES (USES)				
Operating transfers in	96,605	138,241	63,246	(74,995)
Total Other Financing Sources (Uses)	96,605	138,241	63,246	(74,995)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.

Budgetary Comparison Schedule

Title III C-1

For the year ended June 30, 2007

	Budgeted Amount		Actual Amounts	Variance with
	Original	Final	Non-GAAP Basis	Final Budget Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 176,791	\$ 176,791	\$ 176,791	\$ -
Public support:				
Client Contributions	1,850	18,500	18,220	(280)
Total Revenues	178,641	195,291	195,011	(280)
EXPENDITURES				
Health, Welfare & Social Services				
Current:				
Salaries	96,389	117,788	123,722	(5,934)
Fringe	10,254	12,279	11,845	434
Travel	3,354	1,384	1,871	(487)
Operating services	21,730	31,271	34,042	(2,771)
Operating supplies	3,931	8,901	9,951	(1,050)
Other costs	-	-	1,121	(1,121)
Full service contracts	67,385	67,307	68,455	(1,148)
Capital outlay	603	676	-	676
Total Expenditures	203,646	239,606	251,007	(11,401)
Excess (Deficiency) of Revenues over Expenditures	(25,005)	(44,315)	(55,996)	(11,681)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	25,005	44,315	55,996	11,681
Total Other Financing Sources (Uses)	25,005	44,315	55,996	11,681
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

Notes:

Actual expenditures exceed budgetary appropriations by \$11,401, which were covered by local monies transferred from the general fund.

Schedule 5

CALCASIEU PARISH VOLUNTARY COUNCIL ON AGING, INC.

Budgetary Comparison Schedule

Title III C-2

For the year ended June 30, 2007

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Non-GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 191,324	\$ 191,324	\$ 191,324	\$ -
Calcasieu Parish Police Jury	100,000	100,000	100,000	-
Public support:				
United Way of Southwest Louisiana	59,000	59,000	59,000	-
Client Contributions	40,000	56,000	57,250	1,250
Total Revenues	390,324	406,324	407,574	1,250
EXPENDITURES				
Health, Welfare & Social Services				
Current:				
Salaries	223,352	183,915	288,254	(104,339)
Fringe	23,955	19,518	28,614	(9,096)
Travel	32,213	46,989	50,992	(4,003)
Operating services	58,242	67,688	93,877	(26,189)
Operating supplies	11,379	18,206	24,416	(6,210)
Other costs	-	-	3,046	(3,046)
Full service contracts	243,870	216,551	225,429	(8,878)
Capital outlay	1,553	1,325	1,342	(17)
Total Expenditures	594,564	554,192	715,970	(161,778)
Excess (Deficiency) of Revenues over Expenditures	(204,240)	(147,868)	(308,396)	(160,528)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	204,240	147,868	308,396	160,528
Total Other Financing Sources (Uses)	204,240	147,868	308,396	160,528
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

Notes:

Actual expenditures exceeded budgetary appropriations by \$161,778 which were covered by local monies transferred from the general fund and public support.

CALCASTEU PARISH VOLUNTARY COUNCIL ON AGING, INC.
Schedule of Non-major Special Revenue Funds

For the year ended June 30, 2007

Schedule 6

	Area Agency Administration	Title III D	Title III E	Ombudsman	N.S.I.P.	SeniorsRx	Supplemental Senior Center	Utility Assistance	Audit	SSBG	Wheels and More	Housing Fund	Disaster Services	Total
REVENUES														
Intergovernmental:														
Governor's Office of Elderly Affairs	\$ 61,808	\$ 9,990	\$ 72,316	\$ 62,838	\$ 89,504	\$ 114,330	\$ 3,400	\$ -	\$ 4,406	\$ -	\$ -	\$ -	\$ -	\$ 418,292
Public Support:														
Contributions - Unrestricted	-	-	2,000	1,350	-	-	-	-	-	-	1,109	-	-	4,459
Contributions - Restricted:														
for M/C Rx Enrollment	-	-	-	-	-	19,190	-	-	-	-	-	-	-	19,190
for Training Conference	-	-	-	10,000	-	-	-	-	-	-	-	-	-	10,000
Utility Company Assistance Programs	-	-	-	-	-	-	-	78,805	-	-	-	-	-	78,805
Interest Income	-	-	-	-	-	-	-	1,920	-	-	-	-	-	1,920
Local and Miscellaneous	-	-	-	2,435	-	-	-	-	-	-	-	-	-	2,435
Total Revenues	61,808	9,990	74,316	76,623	89,504	133,520	3,100	80,725	4,406	-	1,109	-	-	535,101
EXPENDITURES														
Health, Welfare & Social Services														
Current:														
Salaries	32,409	11,660	34,695	65,453	-	89,758	-	-	-	368	6,436	6,536	-	247,315
Fringe	4,237	1,089	3,154	5,179	-	8,367	-	-	-	41	436	399	-	22,902
Travel	844	102	295	7,081	-	1,554	-	-	-	-	330	-	-	10,206
Operating services	19,930	2,411	7,022	7,745	-	29,133	-	-	4,406	-	1,191	-	-	71,838
Operating supplies	3,579	433	1,459	1,073	-	11,496	-	-	-	-	695	141	198	19,074
Other costs	809	98	283	-	-	-	-	-	-	-	-	-	-	1,190
Full service contracts	-	2,397	33,753	-	-	-	-	-	-	207	-	-	-	36,357
Meals	-	-	-	15,496	-	-	-	-	-	-	190	-	-	15,686
Utility Assistance	-	-	-	-	-	-	-	80,069	-	-	-	-	-	80,069
Total Expenditures	61,808	18,190	80,661	102,027	-	140,308	-	80,069	4,406	616	9,278	7,076	198	504,637
Excess (Deficiency) of Revenues over Expenditures	-	(8,200)	(6,345)	(25,404)	89,504	(6,788)	3,100	656	-	(616)	(8,169)	(7,076)	(198)	30,464
OTHER FINANCING SOURCES (USES)														
Operating transfers in (Note 16)	-	8,200	6,345	25,404	-	6,788	-	-	-	616	8,169	7,076	-	62,998
Operating transfers out (Note 16)	-	-	-	-	(89,504)	-	(3,100)	-	-	-	-	-	(23,659)	(116,263)
Total Other Financing Sources (Uses)	-	8,200	6,345	25,404	(89,504)	6,788	(3,100)	-	-	616	8,169	7,076	(23,659)	(33,665)
Net Increase (Decrease) in Fund Balances	-	-	-	-	-	-	-	656	-	-	-	-	(23,857)	(23,201)
FUND BALANCES														
Beginning of year	-	-	-	-	-	-	-	55,929	-	-	-	-	23,857	79,786
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,585

Calcasieu Parish Voluntary Council on Aging, Inc.
Comparative Schedule of General
Fixed Assets and Changes in General Fixed Assets
For the year ended June 30, 2007

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
General fixed assets, at cost:				
Land and building	\$ 750,130	\$ -	\$ -	\$ 750,130
Vehicles	108,021	-	-	108,021
Furniture and equipment	141,505	4,321	1,850	143,976
Totals	<u>\$ 999,656</u>	<u>\$ 4,321</u>	<u>\$ 1,850</u>	<u>\$ 1,002,127</u>
Investment in general fixed assets:				
Property acquired with funds from:				
Local Funds	\$ 984,313	\$ 4,321	\$ 1,850	\$ 986,784
SenioRx	11,993	-	-	11,993
Title III-B Ombudsman	3,350	-	-	3,350
Totals	<u>\$ 999,656</u>	<u>\$ 4,321</u>	<u>\$ 1,850</u>	<u>\$ 1,002,127</u>

Calcasieu Voluntary Council on Aging, Inc.
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2007

Schedule 8

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Year Ended</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services -</u>					
<u>Administration on Aging:</u>					
Passed through the Governor's Office					
of Elderly Affairs:					
Aging Cluster:					
Special Programs for the Aging:					
Title III, Part B - Grant for					
Supportive Services and Senior Centers	93.044	06/30/07	\$ 134,215	\$ 134,215	134,215
Title III, Part B - Ombudsman	93.044	06/30/07	53,412	53,412	53,412
Subtotal CFDA #93.044			<u>187,627</u>	<u>187,627</u>	<u>187,627</u>
Title III, Part C - Area Agency Administration	93.045	06/30/07	46,356	46,356	46,356
Title III, Part C-1 - Nutrition Services -					
Congregate Meals	93.045	06/30/07	129,965	129,965	129,965
Title III, Part C-2 - Nutrition Services -					
Home Delivered Meals	93.045	06/30/07	88,794	88,794	88,794
Subtotal CFDA #93.045			<u>265,115</u>	<u>265,115</u>	<u>265,115</u>
Nutrition Services Incentive Program	93.053	06/30/07	<u>100,200</u>	<u>100,200</u>	<u>100,200</u>
Totals for Aging Cluster			552,942	552,942	552,942
Title III D - Wellness	93.043	06/30/07	9,990	9,990	9,990
Title III E - National Family Caregiver	93.052	06/30/07	54,237	54,237	54,237
Title IV Disaster Relief Grant	93.048	12/31/05	30,000	-	23,857
Social Services Block Grant	93.667	09/30/07	<u>45,500</u>	-	<u>616</u>
Totals for U.S. Department of Health and Human Services - Administration on Aging			<u>692,669</u>	<u>617,169</u>	<u>641,642</u>
Total Federal Grants			\$ <u>692,669</u>	\$ <u>617,169</u>	\$ <u>641,642</u>

The accompanying notes are an integral part of this schedule.

Note A - Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general purpose financial statements.

Note B - The Calcasieu Parish Voluntary Council on Aging, Inc. did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note C - No federal awards were expended in the form of non-cash assistance during the fiscal year.

Calcasieu Voluntary Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2007

Schedule 9

We have audited the financial statements of Calcasieu Voluntary Council on Aging, Inc. as of and for the year ended June 30, 2007, and have issued our report thereon dated January 25, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A133. Our audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ____ Yes X No Reportable Conditions ____ Yes X No

B. Federal Awards

Internal Control

Material Weaknesses ____ Yes X No Reportable Conditions ____ Yes X No

Type of Opinion On Compliance

For Major Programs Unqualified X Qualified _____

Disclaimer _____ Adverse _____

C. Identification of Major Programs

U.S. Department of Health and Human Services, Administration on Aging:

<u>Name of Federal Programs (Cluster)</u>	<u>CFDA Number(s)</u>
Aging Cluster for Special Programs for the Aging:	
• Title III-B Grant for Supportive Service and Senior Centers	93.044
• Title III-C Nutrition Services	93.045
• Nutrition Services Incentive Program	93.053

All program funds received from the Department of Health and Human Services were received through the Louisiana Governor's Office of Elderly Affairs.

Dollar Threshold Used to Distinguish Major Programs

The threshold for distinguishing Types A and B programs was \$500,000.

Calcasieu Voluntary Council on Aging, Inc.
Schedule of Findings and Questioned Costs (continued)
For the Fiscal Year Ended June 30, 2007

Schedule 9

Low Risk Auditee

The entity was considered a low risk auditee as defined by OMB Circular A-133.

Section II Financial Statement Findings

There were no findings that are required to be reported in accordance with paragraph 5.18 through 5.20 of Government Auditing Standards.

Section III Major Federal Award Findings and Questioned Costs

No matters are required to be reported by Circular A-133 Section .510 (a).

Calcasieu Voluntary Council on Aging, Inc.
Schedule of Prior Audit Findings
For the Year Ended June 30, 2007

Schedule 10

Section I – Internal Control and Compliance Material to the Financial Statements

There were no prior year findings.

Section 2 – Internal Control and Compliance Material to Federal Awards

There were no prior year findings.

Section 3 – Management Letter

Compliance

NC 04-01: Client assessments were not completed timely.

The GOEA Grant contracts required the Council to reassess a client's needs and eligibility for participation annually. In performing our compliance testing, we noted several instances where a client was not reassessed within the one year time frame and one instance in which, after eleven months, the client had not been reassessed. We recommend that the Council review its policy for monitoring dates for assessment and take necessary actions to prevent late assessments.

Status: Not Resolved

MANAGEMENT'S CORRECTIVE ACTION PLAN

Calcasieu Parish Voluntary Council on Aging, Inc.
Calcasieu Parish, Louisiana

To the following oversight agencies for audit:

Federal: US Department of Health and Human Services, Administration on Aging
State: Legislative Auditor of the State of Louisiana; and
Governor's Office of Elderly Affairs

Calcasieu Parish Voluntary Council on Aging, Inc., Calcasieu Parish, Louisiana,
respectfully submits the following corrective action plan for the year ended June 30,
2007.

Name and address of independent public accounting firm: McMullen and Mancuso,
CPAs, 3600 Maplewood Drive; Sulphur, LA, 70663.

Audit period: For the year ended June 30, 2007.

The findings from the June 30, 2007 schedule of findings and questioned costs and
management letter are discussed below.

Internal Control and Compliance Deficiencies Material to the Financial Statements

There were no findings reported.

Internal Control and Compliance Deficiencies Material to Federal Awards

There were no findings reported.

Management Letter

Compliance

Finding NC 06-01: Client assessments were not completed timely.

Management's Response: We concur with the finding. We believe our policy for
monitoring assessment dates is adequate and will review our policy with the appropriate
staff to ensure that assessments are performed timely.

If you have any questions regarding this corrective action plan, please call Sonya
Caraway, the council's director, at (337) 478-4841.